Financial Highlights

ORLEN Group	3 months ended Mar 31 2004 (unaudited data)		3 months ended Mar 31 2003 (unaudited data)		% change	
Results according to IFRS	PLNm	USDm	PLNm	USDm	PLNm	USDm
Sales revenue	6,325	1,655	4,962	1,272	27.5%	30.1%
EBITDA[2]	817	214	900	231	-9.2%	-7.4%
Operating profit/(loss)	505	132	590	151	-14.4%	-12.6%
Financial expenses	124	32	163	42	-23.9%	-23.8%
Net profit (loss)	397	104	355	91	11.8%	14.3%
Net profit (loss) according to LIFO method	305	80	205	53	48.8%	50.9%
Operating cash flow	604	158	256	66	135.9%	139.4%

1) The following average exchange rates were used for the conversion of the amounts denominated in USD: Q1 2003:PLN 3.9017, Q1 2004:PLN 3.8211.
2) EBITDA = OPERATING PROFIT + AMORTISATION/DEPRECIATION

- **Refining (Production + Wholesale):** Q1 2004 saw a decrease in the segment's financial result, which fell by 15.4% in comparison with Q1 2003; the decrease was due to such factors as lower crack margins on diesel fuel and Ekoterm.
- **Refining (Retail):** Reduction of the loss by PLN 5m in Q1 2004 as compared with Q1 2003, resulting mainly from an increase in the unit diesel margins and the non-fuel margin.
- **Petrochemicals:** Q1 2004 saw a slight decrease in the segment's financial result relative to the analogous quarter of the previous year (down by 3.8%). A significant portion of the segment's Q1 2003 result is attributable to the recognition of the difference from the valuation of a contribution in kind made to Basell Orlen Polyolefins sp. z o.o. of PLN 112m. Once this factor is eliminated, an increase in the segment's Q1 2004 financial result relative to the analogous quarter of the previous year reached 106.1% (growth in demand for petrochemical products, mainly fertilizers and polyvinyl chloride – Anwil SA).
- **Other Activities:** An 0.5% increase in revenue and concurrent decrease in the segment's costs by 4.2% had a positive impact on its financial result. In Q1 2004, a profit of PLN 34m was recorded, versus a PLN 16m profit in Q1 2003.
- **Inland Premium:** Q1 2004 saw a PLN 21m (or 25.6%) increase in the inland premium in relation to Q1 2003, following from an increase in the volume of light product sales.
- **Profit on Sales:** A 3.8% increase in the profit on sales in Q1 2004 in relation to Q1 2003, attributable mainly to efficiency-improvement measures and positive market trends in all segments of the Group.
- **Net Profit:** The Q1 2004 net profit stood at PLN 397m, having grown by 42m (or 11.8%) relative to the profit for Q1 2003; the growth was driven mainly by a high profit on sales and financial activities.
- **Net Operating Cash Flow:** A PLN 348m increase in the funds generated in Q1 2004 compared with Q1 2003.
- **CAPEX:** Growth of CAPEX by PLN 50m in Q1 2004 over Q1 2003, the main contributing factor being intensified execution of investment projects, mainly in the petrochemicals segment.
- **Operating Expenses Reduction Programme:** Reduction of the expenses provided for in the programme by PLN 143m in Q1 2004, which translated into an operating result of PLN 114m.

Mr Jacek Strzelecki, Vice-President, Economic and Financial Director – *In the past quarter, sizeable uncertainty and stronger demand for crude oil and refinery products prevailed on fuel markets to usher in rising crude prices and upward-bound margins on individual products. Amidst such circumstances, PKN ORLEN's sales people and planners focused on harnessing the positive market conditions by intensifying sales and fine-tuning the Company's pricing policy to optimise the refining margin. These efforts bore fruit as reflected in the relevant items of the disclosed profit and loss account for the first quarter of 2004.*

In view of the fact that last year the weighted-average crack margin was 27% higher and PLN 112m (before taxes) was contributed to Basell ORLEN Polyolefins, our operating profit (PLN 505m) and after-tax profit (PLN 397m) reported for the first quarter of 2004 are truly satisfying.

Without a doubt, the operating loss (PLN 20m) of ORLEN Deutschland may disquiet investors. It is a direct offspring of a steep drop (of EUR 0.011 – representing a more than 20% drop in relation to the 2003 average) in the German retail margins. In the past quarter, the German market saw its margins begin to rebound. Thus, we believe that our financial performance will be improved in relation to the figures recorded last year. However, the economic consequences of the transaction in Germany entail more than just the result of ORLEN Deutschland. PKN ORLEN recorded more than EUR 10m in additional margin on SWAP transactions concluded with international concerns (BP, Shell) for the supply of fuels to their Polish networks and our network in Germany.

Clearly, the comprehensive Operating Expenses Reduction Programme initiated last year is one of the key processes shaping PKN ORLEN's economics. Though the cost-cutting programme was developed and initiated in 2003, this year is decisive to its success as a whole. For the first time, the effects of the proposed cost-cutting initiatives were reflected in the budgets of the individual segments and in the management incentive system. Looking at the effects of the Programme (an over PLN 114m impact on our operating profit in Q1 2004), it seems that this step was what the entire project needed to achieve the necessary critical mass and materially downsize the risk of failure.

In addition to the cost reduction initiatives, the programme for the increase of the Company's value includes a number of other projects aiming at enhancing efficiency or optimising our activities in particular areas. The projects of comprehensive margin optimisation and retail price centralisation, currently underway, serve to implement integrated systems of management of refining margins and retail prices at PKN ORLEN, based on the world's best practice. As a result, are able to gradually enhance the efficiency of our sales policy, maximise the margin and fully utilise the available throughput capacity. The effectiveness of these programmes in wholesale is soon to be supplemented with regional prices and a professional customer relationship management system (CRM). The success of the Company value increase programme depends greatly on the processes of restructuring the retail network, intended to trigger a significant growth of both the fuel sales efficiency and the non-fuel margin. In addition to the initiatives undertaken within PKN ORLEN itself, we are also intensifying the restructuring and disinvestment processes related to the Group companies.

All of these efforts are coordinated through the Value Based Management programme (VBM), a priority for PKN ORLEN. The programme's pivotal element is the implementation of a strategic management system based on the strategic score card. Under the VBM programme, we are also preparing a new budgeting process to make the entire procedure more flexible and to turn it into an effective tool for executing strategic goals. To prevent the value creation strategy from becoming a set of meaningless declarations, we expect to support it by *implementing an evaluation and incentive scheme for the management, based on the strategic core cards and compliant with the MBO philosophy. This process is to be supported by an IT system, which will also allow the staff participating in the MBO programme to monitor the objectives and degree of their completion.*

The past quarter was also one of hard work of a large team of PKN employees and external advisors, committed to preparing a bid for the purchase of a 62.99% equity interest in UNIPETROL, a.s., a company in the Czech oil sector; acquisition of debts of Česká konsolidační agentura ("ČKA") outstanding towards undertakings directly or indirectly owned by UNIPETROL; as well as purchase of a 9.76% equity interest in SPOLANA, a.s. currently owned by ČKA. On April 23rd 2004, PKN ORLEN submitted the bid for these assets – approximately CZK 11.3bn for 62.99% of UNIPETROL shares, CZK 1m for 9.76% SPOLANA shares owned by ČKA, and approximately CZK 1.7bn for ČKA's debts. On April 29th 2004 we were informed that our bid had been selected by the Czech government.

The key challenge for PKN ORLEN in the segment which I oversee will be to secure the financing necessary for the transaction. A large portion of the funds is already secured under existing credit lines. The remainder will have to be contracted in line with the payment schedule. Offers for the provision of support in the servicing of this transaction have already been made by banks.

Financials by Area of Activity

Market Overview

In the first quarter of 2004, the average price of Brent oil stood at USD 32.05/bbl, having gone up by USD 0.53/bbl (1.7%) in relation to the analogous period of the previous year. During the first three months of 2004, the average market price of gasoline was USD 343.66/t (a 7.4% increase over Q1 2003). In the same period, a fall was recorded in the market prices of diesel fuel and Ekoterm, by USD 16.29/t and USD 17.49/t, respectively (or by 5.0% and 5.8%). The crack margins for gasoline increased by 23.9% relative to the analogous period of the previous year, while in the case of diesel fuel and light fuel oil, they fell by 23.1% and 34.1%, respectively). There was a reduction in the level of refining margins as calculated based on Brent prices quoted in Western Europe (PVM report), from USD 4.79/bbl in Q1 2003 to USD 3.76/bbl in Q1 2004. The U.S. dollar weakened further against the Polish currency by 2.1% (from PLN 3.9017/USD 1 in Q1 2003 to PLN 3.8211/USD 1 in Q1 2004), while the euro strengthened by 14.0% (rise in the average exchange rate from PLN 4.1880/EUR 1 in Q1 2003 to PLN 4.7755/EUR 1 in Q1 2004).

According to the GUS (National Statistics Office) data, in March 2004 consumer prices were up by 0.3%. The growth of prices in January – March 2004 continued at a level similar to the analogous period of 2003 (0.8%). The average annualised dynamics of consumer prices strengthened (1.7% in 2004 vs. 1.6% in 2003). Transport prices in Q1 2004 were up on the analogous period of 2003 by 2.6%, chiefly due to an increase in the prices of fuel for private vehicles (3.1%).

The first quarter of 2004 saw a consolidation of the growth trend seen in 2003. The industrial production grew by 19.1% relative to the analogous period of 2003. The sectors greatly contributing to the total industrial production included manufacturers of mechanical vehicles, trailers and semi-trailers whose output increased significantly.

Based on the data provided by Samar, 98,200 new vehicles were sold in Poland in Q1 2004 (22.5% up on Q1 2003), which was mainly a result of cancellation of the tax relief for companies, effective as of May 1st 2004, and the anticipated increase in car prices following Poland's accession to the European Union.

Fuel consumption in Poland is estimated to have grown in Q1 2004 by approximately 6% relative to the analogous period of 2003. PKN Orlen's estimated share in domestic consumption of liquid fuels amounted to 60.8% in the case of gasolines, 52.1% in the case of diesel fuel, and 56.7% in the case of Ekoterm.

Refining Segment (Production + Wholesale)

Refining Segment (Production + Wholesale)	3 months ended Mar 31 2004 (unaudited data)		3 months ended Mar 31 2003 (unaudited data)		% change 3 months	
Results according to IFRS	**PLNm**	**USDm**	**PLNm**	**USDm**	**PLNm**	**USDm**
Revenue, including:	3,958	1,036	3,942	1,010	0.4%	2.6%
Revenue on sales to third parties	2,724	713	2,346	601	16.1%	18.6%
Intra-company revenue *	1,234	323	1,596	409	-22.7%	-21.0%
Cost and expenses	3,534	991	3,441	882	2.7%	12.4%
Result **	**424**	**46**	**501**	**128**	**-15.4%**	**-64.1%**
Sales to third parties (thousand tonnes)***	1,933		1,762		9.7%	
Sales of products to third parties (thousand tonnes)	1,933		1,760		9.8%	

* *Revenue includes transfers to the retail segment in the amount of: Q1 2003: PLN 762m; Q1 2004: PLN 538m.*
** *The segment's operating result, net of the costs not attributed to any of the segments, incurred at the Group's level.*
*** *Products including crude oil.*

The Q1 2004 result in refining was PLN 424m, down from PLN 501m in the analogous period of 2003. The decrease was caused by higher cost in the segment (up by 2.7%), while the total revenue of the segment grew only by 0.4%. The revenue and cost of the segment were largely affected by the inclusion in the segment in Q1 2004 some of the German operations (more than PLN 450m both in revenue and in cost) and ORLEN Petrocentrum Sp. z o.o. (more than PLN 233m both in revenue and in cost). In the previous year, these companies were entirely included in the Refining Segment (Retail). The decision to split operations followed form a higher share of wholesale in these companies' total sales. The sales revenue was also affected by a reduction in prices of diesel and light fuel oil in Q1 2004 in relation to the corresponding period of 2003, by 5.0% and 5.8%, respectively (the increase in prices in 2003 was a result of the war in Iraq). The decrease in prices was accompanied by reduction of crack margins on these products (23.1% for diesel fuel and 34.1% for Ekoterm).

In Q1 2004, the volume of diesel fuel and gasoline sold to third parties grew by 24.4% and 20.0%, respectively, in comparison with Q1 2003. The sales volume of light products was up by 18.1% in aggregate. The growth in the sales volume of gasolines and diesel fuel was caused, among other factors, by inclusion of some of the German operations in the segment in Q1 2004 and larger consumption of gasolines and diesel in Poland (the increase was 3.1% and 13.3%, respectively, in relation to Q1 2003).

The Q1 2004 result of the segment computed in accordance with the LIFO method would be lower by PLN 92m (PLN 332m), while in the corresponding period of 2003 it would be lower by PLN 150m (PLN 351m).

Refining (Retail)

Refining (Retail)	3 months ended Mar 31 2004 (unaudited data)		3 months ended Mar 31 2003 (unaudited data)		% change 3 months	
Results according to IFRS	**PLNm**	**USDm**	**PLNm**	**PLNm**	**USDm**	**PLNm**
Revenue, including:	2,478	649	1,695	435	46.2%	49.2%
Revenue on sales to third parties	2,473	648	1,613	414	53.3%	56.2%
Intra-company revenue	5	1	82	21	-93.9%	
Cost and expenses	2,497	654	1,719	441	45.3%	48.3%
Result*	**-19**	**-5**	**-24**	**-6**		
Sales to third parties (thousand tonnes)	753		637		18.2%	

* *The segment's operating result, net of the costs not attributed to any of the segments, incurred at the Group's level.*

The segment's revenue in the first quarter of 2004 rose by PLN 783m (46.2%) in comparison with the first quarter of 2003, while the cost and expenses increased by PLN 778m (45.3%). The higher revenue is attributable to the growth in sales volume (18.2%), mainly due to the consolidation of our German operations for the whole of Q1 2004. The revenue on sales of the German companies in Q1 2004 and attributed to this segment was PLN 1,476m, up from PLN 643m in March 2003.

Based on restated figures (elimination of the effect of the German operations: 252 thousand tonnes in Q1 2004 and 130 thousand tonnes in March 2003), there was a minor decrease in retail sales by 7 thousand tonnes, i.e. 1.4%.

In Q1 2004, as compared with Q1 2003, PKN ORLEN's unit retail margins on diesel fuel increased by 16.2%, and the margins on gasolines did not change significantly. At the same time, the non-fuel margin at rose by 10.3%. The Group's sales revenue on non-fuel goods stood at PLN 180m in Q1 2004, which means a 6.5% growth on the analogous period of 2003.

A further rise (by 37% on Q1 2003) was seen in the volume of retail fuel sales under the FLOTA loyalty programme, attributable to a range of promotional activities organised by PKN ORLEN. At the same time, the share of retail sales of fuel under the VITAY programme in the total retail sales of fuel shrank slightly – by 4.5 pp. The factors described above brought the segment's loss down to PLN 19m in Q1 2004, which is an improvement of PLN 5m relative to Q1 2003, when it amounted to PLN 24m. The operations in Germany generated an operating loss of PLN 25m in Q1 2004, while in Q1 2003 the German companies achieved an operating profit of PLN 1m.

Petrochemicals

Petrochemicals	3 months ended Mar 31 2004 (unaudited data)		3 months ended Mar 31 2003 (unaudited data)		% change 3 months	
Results according to IFRS	**PLNm**	**USDm**	**PLNm**	**USDm**	**PLNm**	**USDm**
Revenue, including:	1,270	333	1,257	322	1.0%	3.4%
Revenue on sales to third parties	953	250	882	226	8.0%	10.6%
Intra-company revenue	317	83	375	96	-15.5%	-13.5%
Costs and expenses	1,068	280	1,047	268	2.0%	4.5%
Result*	**202**	**53**	**210**	**54**	**-3.8%**	**-1.9%**
Sales to third parties (thousand tonnes)	576		598		-3.7%	

**) The segment's operating result, net of the costs not attributed to any of the segments, incurred at the Group's level.*

The segment's result for Q1 2004 was PLN 202m, while in the corresponding quarter of 2003 it stood at PLN 210m. The revenue on petrochemicals was higher by PLN 13m (up by 1.0%). Despite the lower volume of sales to third parties (drop by 3.7%), its value went up by 8.0% (PLN 71m), which was attributable to improved demand for petrochemicals, chiefly for the products of ANWIL SA. Compared with Q1 2003, Q1 2004 sales of polyvinyl chloride rose by 4.2% (2.4 thousand tonnes) in terms of volume, while their value was higher by 27.3% (PLN 38m). At the same time, the sales of ammonium nitrate fell by 7.7% (11 thousand tonnes), while their value increased by 4.4% (PLN 3m). ANWIL SA's operating profit in Q1 2004 amounted to PLN 67.6m, relative to PLN 16.2m in Q1 2003. The company's good performance was driven by the high euro exchange rate, accompanied by peak demand on global markets and stronger demand on the fertilisers market.

A major part of the segment's result in Q1 2003 was attributable to the recognition of the difference on the valuation of the contribution to Basell Orlen Polyolefins sp. z o.o. of PLN 112m. If the recognition of the difference were eliminated, the increase in the Q1 2004 result compared with the analogous quarter of 2003 would amount to 106.1%.

Other Activities

Other activities	**3 months ended Mar 31 2004 (unaudited data)**		**3 months ended Mar 31 2003 (unaudited data)**		**% change 3 months**	
Results according to IFRS	**PLNm**	**USDm**	**PLNm**	**PLNm**	**USDm**	**PLNm**
Revenue, including:	397	104	395	101	0,5%	3,0%
Revenue on sales to third parties	175	46	121	31	44,6%	48,4%
Intra-company revenue	222	58	274	70	-19,0%	-17,1%
Cost and expenses	363	95	379	97	-4,2%	-2,1%
Result*	**34**	**9**	**16**	**4**		
Sales to third parties (thousand tonnes)	45		29		55,2%	

**) The segment's operating result, net of the costs not attributed to any of the segments, incurred at the Group's level.*

In addition to the companies involved in the production of energy and provision of services to PKN ORLEN, the "other activities" segment includes a number of undertakings which were established as part of the restructuring process.

In Q1 2004, the segment generated a profit of PLN 34m. To compare, the result for the corresponding period of 2003 was a profit of PLN 16m. The improvement followed from a drop in the segment's expenses (by PLN 16m) and higher revenue (by PLN 2m).

Financial Review

Profit and Loss Account

The profit on sales for Q1 2004 was PLN 1,213m, and was higher by PLN 44m, or 3.8%, than the result reported for the analogous period of the previous year. It is attributable to the growth of sales revenue (an increase of PLN 1,363m) being higher than that of cost of sales (an increase of PLN 1,319m). A growth of sales to third parties was reported in all of the Group's segments, with the largest improvement seen in the refining (retail) segment, where the sales to third parties grew by PLN 860m (53.3%) and the refining (wholesale) segment, where the sales to third parties grew by PLN 379m (16.2%). The amount of revenue derived from the refining (retail) segment was essentially affected by the consolidation of sales of our companies in Germany. The Q1 2004 sales of our German operations stood at PLN 1,928m, while in Q1 2003, they were PLN 643m (these companies have been consolidated since March 1st 2003). The Q1 2004 sales to third parties in the petrochemicals segment grew by PLN 71m compared with the analogous period of 2003.

In the first quarter of 2004, the cost of sales grew by PLN 87m (19.1%) relative to Q1 2003, and stood at PLN 542m. The cost of sales of PKN ORLEN in Q1 2004 decreased by approximately PLN 20m, while in the case of German operations, they grew by PLN 79m in comparison with the corresponding quarter of the previous year. At the same time, in Q1 2004 the general administrative expenses fell by PLN 25m (12%) on Q1 2003, and stood at PLN 184m.

The profit on other operating activities in Q1 2004 stood at PLN 18m. In Q1 2003, as a result of recognising the difference in valuation of the PLN 112m contribution to Basell Orlen Polyolefins Sp. z o.o. under other operating income, the profit on other activities stood at PLN 85m.

Financial income in the first quarter of 2004 stood at PLN 119m, and grew by PLN 43m in comparison with Q1 2003, the reason being the recognition in the Q1 2004 financial income of the dividend paid Polkomtel SA, which was higher by PLN 21.7m. At the same time, the Group recorded a PLN 39m fall in financial expenses. As a result of these factors, the loss in this segment was PLN 5m in the first quarter of 2004, while in the analogous period of 2003, the Group's loss was PLN 87m.

The share of undertakings consolidated with the equity method in the financial result was PLN 17m in Q1 2004, relative to PLN 10m in Q1 2003.

In Q1 2004, the income tax was PLN 103m, which represents a PLN 49m decrease relative to the analogous period of the previous year.

The above factors produced a net profit for Q1 2004 at PLN 397m, up by PLN 42m (11.8%) on Q1 2003.

Balance Sheet

As at the end of the first quarter of 2004, the total assets amounted to PLN 17,656m, up by 3.0% relative to December 31st 2003. The fixed assets fell by PLN 31m (0.3%) in comparison with December 31st 2003, and amounted to PLN 10,684m, chiefly on the decrease in tangible fixed assets by PLN 50m in relation to their value as at December 31st 2003. As at the end of Q1 2004, the current assets grew from PLN 6,434m as at December 31st 2003, to PLN 6,972m. This was chiefly a result of the increase in trade debtors and other accounts receivable as well as stocks and short-term securities: by PLN 449m (17.9%), PLN 90m (2.9%) and PLN 55m (82.1%), respectively.

The shareholders' equity stood at PLN 9,894m as at the end of Q1 2004, up by PLN 1,384m, or 4.0%, in relation to the end of 2003. The main contributing item was a higher retained profit (PLN 397m). Long-term liabilities amounted to PLN 3,010m, and rose by PLN 265m in comparison with the end of 2003, chiefly due to an increase in liabilities on loans (by PLN 255m). On the other hand, short-term liabilities fell from PLN 4,467m as at December 31st 2003 to PLN 4,308m as at March 31st 2004, the main contributing factor being lower debt under loans (by PLN 436m), accompanied by growth in liabilities, accruals and deferred income (by PLN 210m). The Group's total debt (loans, borrowings, and securities) reached PLN 2,850m as at March 31st 2004, which means a drop by PLN 181m as compared with the end of 2003.

Cash Flow

The Q1 2004 net operating cash flow stood at PLN 604m, which means a PLN 348m increase relative to the analogous quarter of 2003, attributable mainly to lower dynamics of change in stocks (drop by PLN 96m in Q1 2004, while in the corresponding quarter of 2003 the drop was PLN 358m), and higher liabilities and accruals and deferred income (by PLN 353m, compared with the PLN 290m increase in Q1 2003).

Investment cash outflow amounted to PLN 360m in Q1 2004, down by PLN 313m on the corresponding quarter of the previous year. The Q1 2004 investment cash outflow was lower compared with the first quarter of 2003 chiefly due to the acquisition of the service stations in Germany (for PLN 419m).

In Q1 2004, the Group recorded a negative net financing cash flow of PLN 222m, while in the corresponding quarter of 2002 the cash inflow was PLN 900m. Such an amount of the outflow was attributable to the change in the amount of debt on loans and borrowings contracted by the Group. In the first quarter of 2004, the net outflow on contracted and repaid loans and borrowings stood at PLN 200m, while in Q1 2003 the inflow was PLN 933m. The total cash at the end of Q1 2004 was PLN 584m, less by PLN 77m on the analogous period of 2003.

APPENDIX I

PKN ORLEN
CONSOLIDATED ABBREVIATED PROFIT AND LOSS ACCOUNTS
for the periods of 3 months
ending on March 31st 2004 and March 31st 2003

(PLNm)

ITEM	3 months ended Mar 31 2004 (unaudited data)	3 months ended Mar 31 2003 (unaudited data)	% change
Sales revenue	**6,325**	**4,962**	27.5%
Cost of sales	5,112	3,793	34.8%
Profit (loss) on sales	**1,213**	**1,169**	**3.8%**
Other operating income	52	188	**-72.3%**
Selling costs	542	455	19.1%
General and administrative expenses	184	209	-12.0%
Other operating expenses	34	103	-67.0%
Operating profit (loss)	**505**	**590**	**-14.4%**
Financial income	119	76	56.6%
Financial expenses	124	163	-23.9%
Share in profit (loss) of undertakings consolidated with equity method	17	10	70.0%
Pre-tax profit (loss)	**517**	**513**	**0.8%**
Corporate income tax	103	152	-32.2%
Net profit (loss)	414	361	14.7%
Profit (loss) attributable to minority interests	17	6	183.3%
Net profit (loss)	**397**	**355**	**11.8%**

APPENDIX II

PKN ORLEN
CONSOLIDATED ABBREVIATED BALANCE SHEETS
as at March 31st 2004 and December 31st 2003
(PLNm)

ITEM	Mar 31 2004 (unaudited)	Dec 31 2003	% change
ASSETS			
Fixed assets			
Tangible fixed assets	9,757	9,807	-0.5%
(Negative) goodwill	-267	-273	-2.2%
Intangible fixed assets	119	121	-1.7%
Financial assets	555	534	3.9%
Shares and equity interests in undertakings consolidated with equity method	490	493	-0.6%
Deferred tax assets	14	15	-6.7%
Other fixed assets	16	18	-11.1%
Total fixed assets	**10,684**	**10,715**	-0.3%
Current assets			
Stocks	3,148	3,058	2.9%
Trade debtors and other accounts receivable	2,962	2,513	17.9%
Taxes receivable	8	65	-87.7%
Short-term securities	122	67	82.1%
Prepayments	78	80	-2.5%
Cash and cash equivalents	584	562	3.9%
Other financial assets	70	89	-21.3%
Total current assets	**6,972**	**6,434**	8.4%
Total assets	**17,656**	**17,149**	3.0%
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	534	534	0.0%
Reserve funds	1,359	1,359	0.0%
Revaluation capital reserve	839	856	-2.0%
Currency-translation differences on subsidiary undertakings	66	62	6.5%
(Accumulated loss)/retained profit brought forward	7,096	6,699	5.9%
Total shareholders' equity	**9,894**	**9,510**	4.0%
Minority interests	**444**	**427**	4.0%
Long-term liabilities			
Loans and borrowings	2,091	1,836	13.9%
Provisions	615	616	-0.2%
Deferred income tax provisions	304	293	3.8%
Total long-term liabilities	**3,010**	**2,745**	9.7%
Short-term liabilities			
Liabilities and accrued expenses	3,441	3,231	6.5%
Corporate income tax payable	53	-	
Loans and borrowings	759	1,195	-36.5%
Deferred income	18	14	28.6%
Other financial liabilities	37	27	37.0%
Total short-term liabilities	**4,308**	**4,467**	-3.6%
Total shareholders' equity and liabilities	**17,656**	**17,149**	3.0%

APPENDIX III

PKN ORLEN
CONSOLIDATED ABBREVIATED
CASH FLOW STATEMENTS
for the periods of 3 months
ending on March 31st 2004 and March 31st 2003

(PLNm)

ITEM	3 months ended Mar 31 2004 (unaudited data)	3 months ended Mar 31 2003 (unaudited data)	Change
Net operating cash flow			
Net profit (loss)	**397**	**355**	**42**
Total adjustments:			
Profit (loss) attributable to minority interests	17	6	11
Share in profit (loss) of undertakings consolidated with equity method	-17	-10	-7
Depreciation and amortisation	304	303	1
Net dividends and interest	-47	-14	-33
Corporate income tax as disclosed in profit and loss account	103	152	-49
(Profit) loss on investment activities	13	0	13
Decrease / (increase) in accounts receivable	-394	-366	-28
Decrease / (increase) in stocks	-96	-358	262
(Decrease) / increase in liabilities and accrued expenses	353	290	63
(Decrease) / increase in provisions	1	-13	14
Other adjustments	24	-23	47
Corporate income tax paid	-54	-66	12
Net operating cash	**604**	**256**	**348**
Investing cash flow			
Acquisition of intangible and tangible fixed assets	-322	-233	-89
Disposal of tangible fixed assets	22	4	18
Disposal of assets available for sale		2	-2
Acquisition of assets available for sale	-11	-22	11
Acquisition of businesses in Germany less total acquired cash and cash equivalents		-419	419
Purchase of short-term securities	-283	-13	-270
Disposal of short-term securities	229	8	221
Dividends and interest received	3	1	2
Loans/borrowings advanced/repaid	0	0	0
Other	2	-1	3
Net investing cash outflow	**-360**	**-673**	**313**

Financing cash flow			
Increase in long- and short-term loans and borrowings	597	1 542	-945
Decrease in long- and short-term loans and borrowings	-797	-609	-188
Interest paid	-19	-32	13
Other	-3	-1	-2
Net financing cash inflow/(outflow)	**-222**	**900**	**-1 122**
Change in net cash	**22**	**483**	**-461**
Cash at beginning of period	**562**	**178**	**384**
Cash at end of period	**584**	**661**	**-77**

APPENDIX IV

PKN ORLEN
KEY FINANCIAL DATA BY BUSINESS SEGMENTS
for the periods of 3 months
ending on March 31st 2004 and March 31st 2003

(PLNm)

ITEM	3 months ended Mar 31 2004 (unaudited data)	3 months ended Mar 31 2003 (unaudited data)	% change
REVENUE ON SALES TO THIRD PARTIES[1]			
Refining (production + wholesale)	2,724	2,346	16.2%
Refining (retail)	2,473	1,613	53.3%
Petrochemicals	953	882	8.0%
Other activities	175	121	44.6%
TOTAL	**6,325**	**4,962**	**27.5%**
FINANCIAL RESULT[2]			
Refining (production + wholesale)	424	501	-15.4%
Refining (retail)	-19	-24	-20.8%
Petrochemicals	202	210	-3.8%
Other activities	34	16	112.5%
Exclusions	-2	0	-
Total of non-attributed items	-134	-113	18.6%
TOTAL	**505**	**590**	**-14.4%**
EXPENDITURE ON FIXED ASSETS			
Refining (production + wholesale)	49	105	-53.3%
Refining (retail)	47	29	62.1%
Petrochemicals	148	62	138.7%
Other activities	14	10	40.0%
Total of non-attributed items	4	6	-33.3%
TOTAL	**262**	**212**	**23.6%**
DEPRECIATION AND AMORTISATION			
Refining (production + wholesale)	165	164	0.6%
Refining (retail)	44	29	51.7%
Petrochemicals	57	64	-10.9%
Other activities	37	44	-15.9%
Total of non-attributed items	9	9	0.0%
TOTAL	**312**	**310**	**0.6%**

1. Revenue on sales to third parties represents exclusively sales to undertakings outside of the ORLEN Group.
2. Financial result comprises revenue on sales to third parties and transfer to other segments.

APPENDIX V

PKN ORLEN
KEY OPERATING DATA

for the periods of 3 months ending on March 31st 2004 and March 31st 2003

(tonnes)

ITEM	3 months ended Mar 31 2004	3 months ended Mar 31 2003	% change
CRUDE OIL THROUGHPUT ('000 tonnes)	**2,920**	**3,013**	**-3.1%**
REFINERY OUTPUT			
Gasoline	620,683	696,550	-10.9%
Diesel fuel	778,333	686,378	13.4%
Fuel oil (III)	120,602	181,356	-33.5%
Ekoterm	442,312	477,597	-7.4%
Jet A-1	47,237	43,642	8.2%
LPG	47,084	62,451	-24.6%
Other refining products	201,163	239,956	-16.2%
TOTAL	**2,257,414**	**2,387,930**	**-5.5%**
SALES OF REFINING PRODUCTS			
Gasoline	831,219	698,485	19.0%
Diesel fuel	868,879	706,714	22.9%
Fuel oil (III)	123,478	158,493	-22.1%
Ekoterm	484,364	440,092	10.1%
Jet A-1	53,496	50,306	6.3%
LPG	69,670	73,649	-5.4%
Other refining products	253,769	269,229	-5.7%
TOTAL	**2,684,875**	**2,396,968**	**12.0%**
PETROCHEMICAL OUTPUT			
Polyethylene	0	26,948	-100.0%
Polypropylene	0	25,104	-100.0%
Ethylene	43,205	17,304	149.7%
Glycol	27,437	28,499	-3.7%
Propylene	56,618	32,776	72.7%
Ammonium nitrate	118,837	99,800	19.1%
CANWIL	81,097	75,193	7.9%
Polyvinyl chloride (PVC)	60,165	52,782	14.0%
Other petrochemical products	167,677	168,354	-0.4%
TOTAL	**555,036**	**526,760**	**5.4%**
SALES OF PETROCHEMICAL PRODUCTS			
Polyethylene	9,367	29,953	-68.7%
Polypropylene	7,570	30,612	-75.3%
Ethylene	43,828	18,863	132.3%
Glycol	25,709	28,762	-10.6%
Propylene	56,826	34,230	66.0%
Ammonium nitrate	129,381	140,190	-7.7%
CANWIL	87,104	94,337	-7.7%
Polyvinyl chloride (PVC)	59,067	56,711	4.2%
Other petrochemical products	157,191	163,856	-4.1%

TOTAL	**576,043**	**597,514**	**-3.6%**

APPENDIX VI

PKN ORLEN
SALES OF MAIN PRODUCTS

for the periods of 3 months
ending on March 31st 2004 and March 31st 2003

(tonnes)

Sales of light products in the ORLEN Group (by volume)	3 months ended Mar 31 2004	3 months ended Mar 31 2003	% change
Wholesale of main light products, including:	**1,511,496**	**1,280,035**	**18.1%**
Gasoline	393,614	327,925	20.0%
Diesel fuel	580,204	466,341	24.4%
Jet A-1	53,496	50,306	6.3%
Ekoterm	484,182	435,463	11.2%
Retail sales of engine fuels, including:	**751,579**	**632,249**	**18.9%**
Gasoline	437,605	370,560	18.1%
Diesel fuel	288,675	240,373	20.1%
LPG	25,299	21,316	18.7%
Total sales of fuels, including:	**2,307,628**	**1,969,246**	**17.2%**
Engine fuels	1,823,264	1,529,154	19.2%